



**Rail Enhancement Fund
Project Application Form**

Internal Use

DRPT Tracking #

Date: 1-31-2008

A. Name of Applicant (Name and Address)

Virginia Railway Express (VRE)
1500 King Street, Suite 202
Alexandria, VA 22314

Applicant type:

- ☒ Passenger Railroad
☐ Freight Railroad
☐ Locality
☐ Business
☐ Other _____

B. Contact Information:

Responsible Person/Title: Dale Zehner, Chief Executive Officer

Telephone: (703) 838-5411 Fax: (703) 684-1313 Email: dzehner@vre.org

Project Manager/Title: Sirel Mouchantaf, Director of Construction and Facilities

Telephone: (703) 838-5448 Fax: (703) 838-5448 Email: smouchantaf@vre.org

C. Project Title:

Arkendale-Powell's Creek Third Track.Cherry Hill VRE Station: Phase II – Final Design

D. Project Location: (City/County, Rail line, Railroad Mile Post, attach map)

Prince-William and Stafford Counties
CSX Transportation/Virginia Railway Express
RF&P Subdivision, CFP 72.0 to CFP 83.4 (11.4 miles)

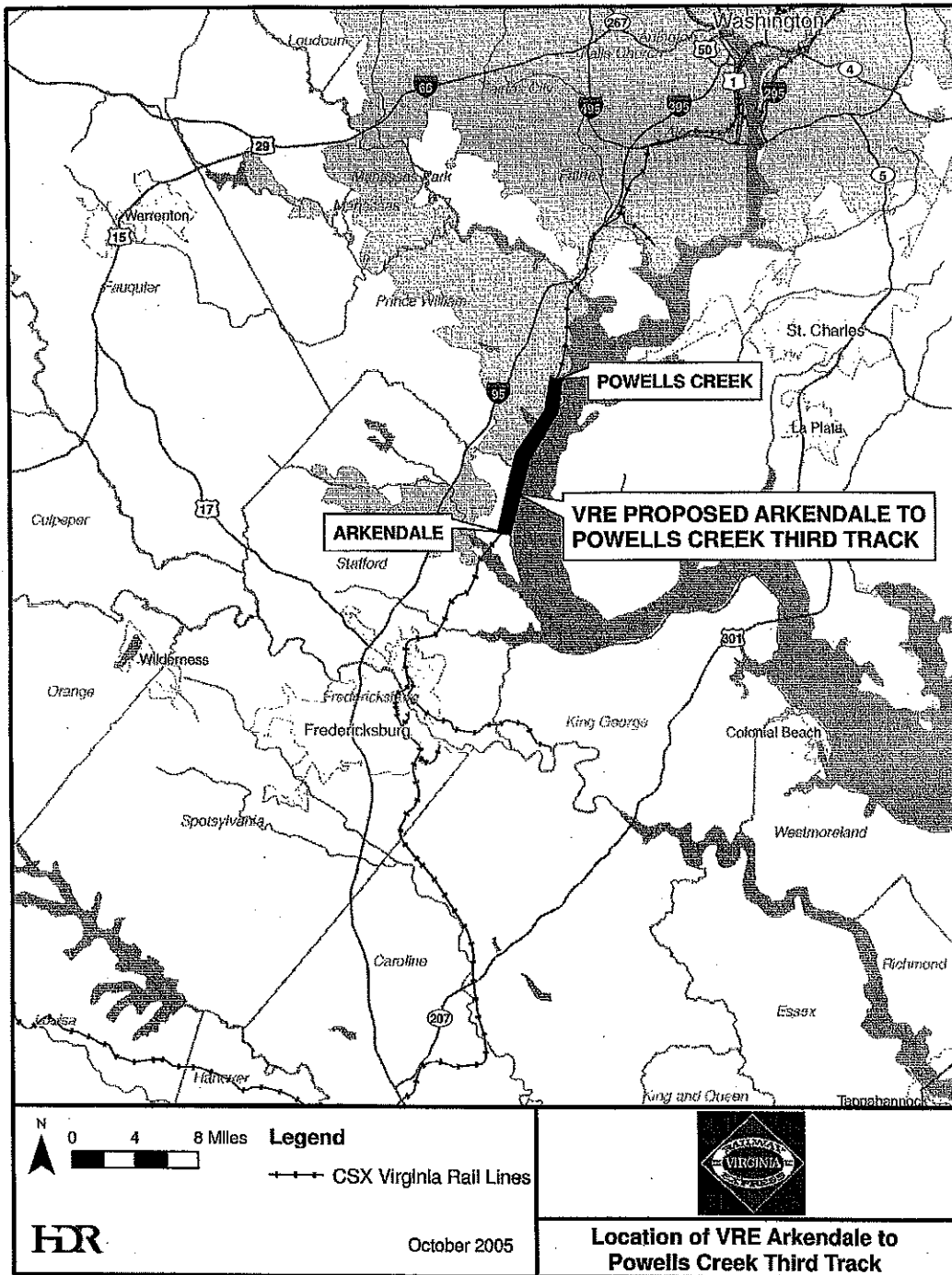
E. Owner of Property/Right-of-Way/Facility/Personal Property:

CSX Corporation

F. Responsible Party for Continuous Maintenance of Project:

CSX Corporation/VRE

Project Location



G. Project Information:

1) Description of Project:

The purpose of this project is to improve rail service in the 11.4 mile corridor between Powells Creek and Arkendale. The full project includes design and construction of a third track in the CSX right-of-way, including a VRE station, slope stabilization, parking facility and highway grade separated bridge over CSX tracks. This is a multi-year project for which Phase I, Preliminary Engineering and Environmental Assessment, are funded and underway.

2) Project Objective:

The objective of the third track project is to improve railroad capacity to allow for improved on-time performance and the expansion of service. Specifically, this project will allow passing moves between faster passenger trains and slower freight trains with simultaneous train moves in the opposite direction. Both north-south continuous moves of two trains while a third VRE or Amtrak train is servicing the future Cherry Hill station will also become a reality. Finally, a continuous two-way bypass to a stalled train on any portion of the third track would be possible through the completion of this project.

3) Relationship to Other Projects under Development by Applicant or Previously Funded by this Program:

VRE applied for and received \$2.5 million in Rail Enhancement Funds for preliminary engineering and environmental assessment work during the FY 2005-2006 process. This application included \$750,000 in local match from a private developer which VRE has received in-kind. This project is underway and is expected to be completed in Spring of 2009. Application for final design is being requested at this time so that the project can move into the second phase uninterrupted.

This project has a relationship with several other VRE projects currently underway or recently completed, including the Quantico Bridge project. The bridge project, which added capacity to the single water crossing at Quantico Creek, received both federal and state funding and has resulted in significant improvements to VRE's on-time performance. In addition, VRE is a partner with the Commonwealth of Virginia/DRPT and CSX in a memorandum of understanding (MOU) committing to a series of improvements to expand rail capacity in the CSX corridor between Fredericksburg, VA and Washington, DC. The construction of a third track between Fredericksburg and Washington, DC is included in this MOU.

To date, and in addition to the Quantico Bridge, completed projects include rebuilding the AF interlocking; Arkendale and Elmont crossovers; and the L'Enfant 3rd main track. Projects underway or to be completed include three additional third track projects including RO to SRO/Slater's Lane; Franconia; and Fredericksburg to Hamilton.

4) Describe the Public Benefit of Project. Identify significant types of benefits and beneficiaries from this project. (See Attachment A)

The VRE provides commuter service to 7,350 people (approximately 14,700 average daily commuter trips) throughout northern and central Virginia, including service to approximately 4,200 government and military workers. As an energy efficient mode, VRE helps to reduce regional air emissions and congestion and is also a critical component of the region's transportation infrastructure for evacuation from the District of Columbia in the event of an emergency.

This section of the Washington to Richmond corridor is extremely congested due to use by commuter, freight and inter city passenger trains. As such, improvements to the capacity of this corridor would result in improvements to all three modes, as well as those using the parallel highways who will realize a reduction in other vehicles on the road.

For VRE, the reduction or elimination of delays due to conflicts between freight and passenger trains would have a significant benefit to the nearly 7,754 passenger trips on the Fredericksburg line daily. In 2007, VRE averaged twelve delays per month on the Fredericksburg line with the average delay being 19 minutes and attributed to other train movements/congestion. An elimination or reduction in delays would result in improved on-time performance and a subsequent increase in ridership. Finally, the construction of a parking facility at the Cherry Hill station would allow a minimum of an additional 550 passengers to access the system each day.

Amtrak would also realize a public benefit as they operate approximately 125 inter city trains through this corridor each week. Improving on-time performance of these trains would also benefit their ridership such that it would become a more attractive option to travelers currently using congested I-95.

More efficient train movement and the subsequent reduction in freight delays would make it a more economical and attractive means of transporting goods than via the highway; and ultimately reduce demand for truck transport.

Finally, the Virginia Department of Rail and Public Transportation (DRPT) has long considered the third track between Washington, D.C. and Richmond as a means to accommodate additional future passenger and freight service, including commuter rail service to Richmond. Without these capacity improvements, such expanded services are not likely.

5) Attachment A – Project Data Information Form – Must be completed by Applicant and submitted with this application.

H. Type of Project:

- 1) ☒ New Construction ☐ Rehabilitation ☐ Study
- 2) ☒ Rail Infrastructure ☐ Rail Facility/Station
☐ Equipment/Rolling Stock ☐ Signals/Communication Equipment

3) Other _____

I. Application Scope of Work Covers:

____ Entire Project X A Phase of a Multi-Phase Project ____ Completion Phase

J. Project Budget Summary (Phase II – Final Design):

Preliminary Service, Engineering, or Feasibility Study	_____
Environmental Evaluation	_____
Design Engineering	<u>\$3,436,000</u>
Right of Way Acquisition	_____
Construction	_____
Construction Management	_____
Lease/Acquisition of Equipment	_____
Public Involvement (if applicable)	_____
Other _____	_____
Subtotal Project Budget	\$ 3,436,000
Total Project Budget	\$ 3,436,000

*Please note that while the total estimated project cost is \$72.1 million, budget information is only being provided for this phase of the project.

K. Attach detailed budget and schedule information. If the project is for final design, construction or procurement; then plans, specifications and reports to a preliminary engineering level (approximately 30%) should be provided to support the project cost and major features (if applicable). A sample budget and schedule is included in Appendix D.

L. Rail Enhancement Funds Requested in this Application: \$ 2,405,000

Maximum 70% of Total Project Budget. Do not include any previous allocations or future phases.

M. Local Match Required by Applicant: \$ 1,031,000
At least a minimum 30% of Total Project Budget

If Overmatch, Provide Percentage

1) Match Breakdown by Source (Including any in-kind match)

- a. Provider of Local Match: Lee Carolina, LLC
- b. Status (confirmed/anticipated) - confirmed
- c. Attach justification for value of in-kind match.

2) Other Funding Sources Beyond Match Requirement

- a. Provider of Overmatch
- b. Status (confirmed/anticipated)

N. Project implementation schedule (based in months). List major milestones of the project, including environmental review and public involvement points if applicable.

Following receipt of funding/NTP from Commonwealth:

- 1. Issue and Award Procurement – 3 months
- 2. Final Design – 18 months

O. Statement of how this project promotes or does not preclude dual/multi-access use.

The third track project not only provides additional capacity for VRE, but also Amtrak and freight trains. Once complete, the Cherry Hill station will provide additional access to VRE for Prince William County residents.

P. List additional users of rail line, facility, and/or equipment.

Amtrak, CSX Corporation and other freight railroads

Q. Identify any possible environmental or other issues/concerns within the scope of this project.

VRE anticipates a moderate level of environmental effects associated with the proposed third track. No river or major stream crossings are necessary, although construction along narrow rights-of-way does occur along existing bodies of water. Work to procure an environmental assessment of these issues is currently underway.

Required Attachments:

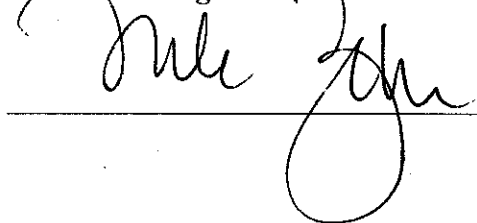
Application is not complete without items 1-5 completed by the Applicant and submitted with the Application.

- 1. Attachment A - Project Data Information Form (Provided)**
- 2. Attachment B - Application Checklist (Provided)**
- 3. Detailed cost, budget and schedule. Include preliminary engineering to 30% report, if applicable (Sample in Appendix D)**
- 4. Certification of Match/% of Match/Documentation of Source of Match Including Defined Match Source (To be provided by Applicant)**
- 5. Certification of Additive Investment (To be provided by Applicant)**
- 6. Statement from the Applicant/Owner of the facility that the SWAM participation goals will be achieved by the project.**
- 7. Statement from the owner of the facility that acknowledges the Commonwealth will have a public interest in the facilities, materials, equipment and improvements funded or impacted by this project (To be provided by Applicant/Owner)**

Application and Attachment Certification

To the best of my knowledge all information contained in this application and its attachments is true. The information provided to the Virginia Department of Rail and Public Transportation (DRPT) is subject to full disclosure except where protected by Virginia Code. Any additional documentation related to this application will be provided to DRPT upon request.

Authorized Signature and Title:



Date: 1 - 31 - 2008



**Rail Enhancement Fund
Project Application
Completed Application Submission Information**

One signed original, twelve copies, and an electronic copy in pdf format of the completed application and required documentation must be mailed under applicant cover to:

Director
Virginia Department of Rail and Public Transportation
1313 East Main Street, Suite 300
Richmond, VA 23219



**Rail Enhancement Fund
Project Application**

Internal Use

DRPT Tracking #

**Attachment A
Project Data Information Form**

Date: 1-31-2008

Name of Applicant and Project

Applicant:

Virginia Railway Express (VRE)
1500 King Street
Suite 202
Alexandria, VA 22314

Project:

Arkendale-Powell's Creek Third Track.Cherry Hill VRE Station: Phase II – Final Design

General Instructions: Please complete the following forms that apply to the project application.

- For Freight Service projects, complete forms A1, A2 and A5
- For Intercity/Amtrak passenger projects, complete forms A1, A3 and A5
- For Commuter/VRE passenger projects, complete forms A1, A4 and A5
- For projects that involve benefits to both freight and passenger projects, form A1 and forms A2-A4 that apply must be completed. For each completed form A2-A4, a form A5 must be completed for each category for projects resulting in multiple project benefits.

Terms:

Project Cost and Construction Period: Form A1 shall be completed with total project cost by year of expenditure with total DRPT cost identified by year of expenditure. This section must be completed for all project applications.

Demand Characteristics: This category of information relates to the additional demand for rail service (including freight and passenger) due to the project. This additional demand must be over and above baseline conditions that currently exist. The specific data to enter here defines initial demand, steady state demand, and the years until steady state demand is achieved.

Steady State Demand: This term refers to the point at which the project benefits/demand have reached a long-term, sustainable level.

Project Impact on Travel Distance: This category of information includes the distance that would be traveled by vehicle or train. All distances should be limited to miles within Virginia. The distance should relate directly to the project-impacted area.

Demand Characteristics for a 15-year Performance Period: This term refers to the project output by performance year, which will be utilized to determine the public benefits and to determine the performance requirements over the 15-year Performance Period of the Grant Agreement.

Attachment A **Form A1 – Project Cost and Construction Period**

First Construction Year: 2008 (final design)

Last Construction Year: 2010

Year	Total Project COST	Total DRPT COST
Year 1	\$570,000	\$399,000
Year 2	\$2,280,000	\$1,596,000
Year 3	\$586,000	\$410,000
Year 4		
Year 5		
Total	\$3,436,000	\$2,405,000

Use Form A-5 to provide demand characteristics for the 15-Year Performance Period.

Attachment A
Form A4 – Passenger Service – Commuter/VRE

Demand Characteristics	CATEGORY	UNITS	VALUE
	Annual VRE Passengers (Existing)	Passenger/Year	3,386,864 (FY2007)
	Steady State Demand – Additional VRE Passengers	Passenger/Year	156,736*
	First Year Number of Additional Passengers	Passenger/Year	99,200
	Number of Years Until Steady State	Number of Years	2

*Note – ridership assumed to be constrained due to size of parking facility.

Project Impact on Travel Distance & Time	CATEGORY	UNITS	VALUE
	VRE Passenger Trip Length (Existing)	Miles	54.1 Fredericksburg Line 35.7 Manassas Line
	VRE Passenger Trip Length (After Project Completion)	Miles	54.1 Fredericksburg Line 35.7 Manassas Line
	VRE Travel Time Per Trip (Existing)	Minutes	81.5 system average 90.2 Fredericksburg Line average 74.4 Manassas Line average
	VRE Travel Time Per Trip (After Project Completion)	Minutes	83.8 system average 93.2 Fredericksburg Line* average 74.4 Manassas Line average

*Note – travel time has increased due to additional dwell time/acceleration/deceleration resulting in the addition of a Cherry Hill station. Time savings is the result of a decrease in delays which in 2007 were averaging twelve per month on the Fredericksburg line. These delays were averaging 19 minutes and attributable to other train movements/congestion.

Attachment A
Form A5 – Demand Characteristics for 15-Year Performance Period

Performance Year	Performance Value*
1	99,200
2	99,200
3	156,736
4	156,736
5	156,736
6	156,736
7	156,736
8	156,736
9	156,736
10	156,736
14	156,736
12	156,736
13	156,736
14	156,736
15	156,736
Total	2,235,968

* For Freight Service Projects – car loads or containers per year
 For Inter-City / Amtrak Passenger Projects – passengers per year
 For Commuter / VRE Passenger Projects – passenger trips per year



**Rail Enhancement Fund
Project Application Checklist
Attachment B**

Internal Use

DRPT Tracking #

Date: 1-31-08

Name of Applicant and Project:

Applicant:

Virginia Railway Express (VRE)

1500 King Street

Suite 202

Alexandria, VA 22314

Project:

Arkendale-Powell's Creek Third Track.Cherry Hill VRE Station: Phase II – Final Design

Checklist for Application

1. Project is consistent with goals of applicable adopted state, regional and/or local plans.

☒ Yes ☐ No

2. Project is an Additive Investment to Virginia.

☒ Yes ☐ No

3. Project provides for, or does not preclude, shared or dual access opportunity.

☒ Yes ☐ No

4. Applicant has provided documentation and certification of at least a minimum 30% match.

☒ Yes ☐ No

5. Applicant has provided an environmental review plan and/or public involvement plan, if applicable, and required budget for this activity as outlined in Appendix D.

☐ Yes ☒ No – Environmental review is scheduled to begin in early spring, 2008.

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6. Application is complete, including signature and specified number of hard copies and an electronic (pdf file) copy; and Applicant has reviewed the Standard Agreement as provided in Appendix C.

☒ Yes ☐ No

PROJECT BUDGET - SCHEDULE OF VALUES

Program: Rail Enhancement Fund
Agreement: Virginia Railway Express
Grantee: Arkendale-Powell's Creek Third Track/Cherry Hill VRE Station
Project:

Scopes	Description of Work	Quantity	Unit Rate	Contract Value	Total to Date		Previous Total		Total This Period	
					Quantity/ Percentage	Value	Quantity/ Percentage	Value	Quantity/ Percentage	Value
Preliminary										
	Study	1 LS	\$ -	\$ -						
	Surveying	1 LS	\$ -	\$ -						
	Environmental Assessment*	1 LS	\$ 600,000	\$ 600,000						
	Geotechnical	1 LS	\$ -	\$ -						
	Preliminary Engineering*	1 LS	\$ 1,850,000	\$ 1,850,000						
	Subtotal			\$ 2,450,000						
Design/Contracting										
	Final Design	1 LS	\$ 3,436,000	\$ 3,436,000						
	Contract Procurement*	1 LS	\$ 50,000	\$ 50,000						
	Construction Management	1 LS	\$ -	\$ -						
	Subtotal			\$ 3,486,000						
	SUBTOTAL DIRECT EXPENSES			\$ 5,936,000						
				\$ -						
				\$ -						
				\$ -						
	AGREEMENT TOTAL			\$ 5,936,000						
	Maximum DRPT Participation	70%		\$ 4,155,200						
	Local Match Participation (in-kind)	30%		\$ 1,780,800						

*Note- previously funded

Sample Schedule for Notice to Proceed - Planning and Design

Program: Rail Enhancement Fund

Agreement:

Grantee: Virginia Railway Express

Arkendale-Powell's Creek Third Track/Cherry Hill VRE Station: Phase 2 - Final Design

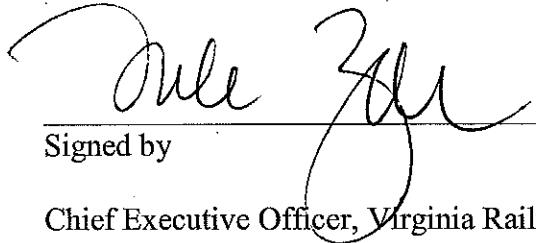
Updated Date:

[illegible]

Certification of Match/%of Match/Documentation of Source of Match (To be provided by Applicant)

To Whom It May Concern:

I hereby certify that \$1,031,000, or 30 percent, of the cost of the Arkendale-Powell's Creek Third Track Cherry Hill VRE Station: Phase II – Final Design project will be covered by private in-kind donations. The contributions are currently pledged towards the project.



Signed by

Chief Executive Officer, Virginia Railway Express

Title

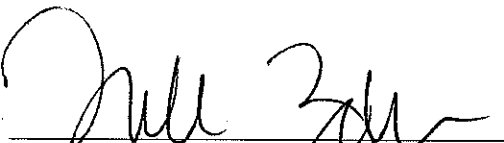
January 31, 2008

Date

Certification of Additive Investment

To Whom It May Concern:

I hereby certify that the Arkendale-Powell's Creek Third Track Cherry Hill VRE Station: Phase II – Final Design project would provide an additive investment to the Commonwealth of Virginia's rail system. The project will provide increased capacity for passenger, freight and inter-city rail service on the Washington-Richmond Corridor.



Signed by

Chief Executive Officer, Virginia Railway Express

Title

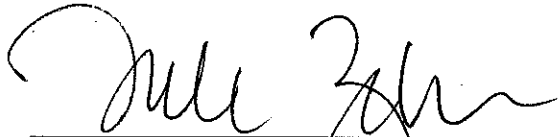
January 31, 2008

Date

Statement from the Applicant/Owner of the facility that the SWAM participation goals will be achieved by the project.

To Whom It May Concern:

I hereby certify that the Arkendale-Powell's Creek Third Track Cherry Hill VRE Station: Phase II – Final Design project will comply with the Small, Women, and Minority (SWAM) enterprises participation goals established for the Rail Enhancement Fund Program.



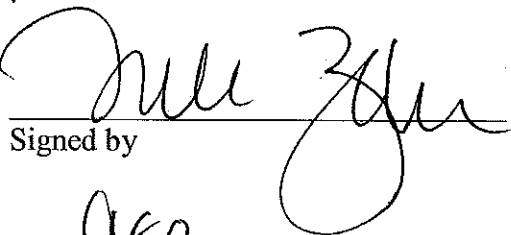
Signed by
Chief Executive Officer, Virginia Railway Express

1 - 31 - 2008
Date

Statement from the owner of the facility that acknowledges the Commonwealth will have a Public Interest in Private Facilities impacted by this project

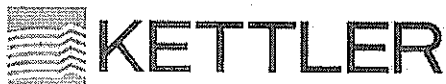
To Whom It May Concern:

At the appropriate time, CSX Corporation will enter into an appropriate agreement to be negotiated with the Commonwealth of Virginia to protect the Commonwealth's public interest in the Arkendale-Powell's Creek Third Track project, located along the CSX RF&P Subdivision between Milepost CFP 72.0 and Milepost CFP 83.4.


Signed by


Title


Date



EDWARD S. BYRNE
SR. VICE PRESIDENT,
COMMUNITY PLANNING & DEVELOPMENT
PHONE: 703-641-5324
FAX: 703-641-9630
EBYRNE@KETTTLER.COM

January 25, 2008

Mr. Dale Zehner
Chief Executive Officer
Virginia Railway Express
1500 King Street, Suite 202
Alexandria, Virginia 22314

**RE: Arkendale-Powell's Creek Third Track Cherry Hill VRE Station
Rail Enhancement Fund Grant Application – Phase II Final Design**

Dear Mr. Zehner:

As you are aware, Lee Carolina LLC has provided the local in-kind match for Phase I – Preliminary Design for the referenced project and intends to provide the same for subsequent applications to the Rail Enhancement Fund to support this critical project. Kettler Inc. (formerly KSI Services, Inc.) is the development manager for Lee Carolina LLC and offers this documentation to support VRE's Phase II grant application. The in-kind match consists of (1) design and construction of a new VRE station (including stabilization of the existing slope adjacent to the station), (2) a commuter parking garage to serve the station and (3) a new grade-separated bridge crossing of the existing CSX tracks to eliminate an existing at-grade crossing. Documentation summarizing the value of each improvement, including the amounts spent to date, is included with this letter.

These improvements are initiatives of Kettler and are not required by the existing zoning or its proffers. Our purpose in providing these improvements is to expedite the opening of the Cherry Hill VRE station. Consequently, should CSX and/or VRE complete the proposed third rail between Arkendale and Powell's Creek and should CSX approve the Cherry Hill station for full VRE service and limited Amtrak service, Lee Carolina will convey the completed improvements to the appropriate public entities so that they can be managed and maintained for the benefit of the public. Should the commuter parking garage be sized exclusively for commuter parking associated with the VRE station, then this facility will be built and conveyed to the appropriate governmental entity. Alternatively, should the commuter parking garage be built with additional spaces that can be used for other, nearby uses, such as retail shops, offices or residents, a legal agreement between Lee Carolina and the appropriate public entity will be prepared for execution to ensure that the designated commuter parking spaces will be permanently reserved for commuter parking.

We at Kettler and Lee Carolina are strong supporters of transit in general and VRE, in particular. We have developed other, mixed-use communities adjacent to VRE stations further north of this site and believe that VRE service should be expanded and made conveniently available to more residents of northern Virginia. Consequently, we are excited to be partnering with VRE to expedite the initial operation of the Cherry Hill station.

Should you have any questions or need additional information, please give me a call.

Sincerely,

A handwritten signature in dark ink, appearing to read "E. S. Byrne".
Edward S. Byrne
Senior Vice President

Encl.

ATTACHMENT A
PROPOSED BUDGET, SCHEDULE, AND SCHEDULE OF VALUES

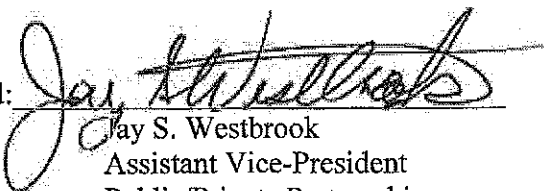
PROJECT	TASK	ESTIMATED START	ESTIMATED FINISH	DURATION (MONTHS)	BUDGET (\$1,000)	ACTUAL (\$1,000)
THIRD TRACK	PRELIM DESIGN AND EA PROCUREMENT	October-07	January-08	3.0	-	
	PRELIM DESIGN AND EA WORK	January-08	January-10	24.0	\$3,275	
	FINAL DESIGN PROCUREMENT	June-09	September-09	3.0	-	
	FINAL DESIGN WORK	October-09	October-10	12.0	\$4,250	
	ROW ACQUISITIONS	January-10	February-11	12.0	\$400	
	CONSTRUCTION PROCUREMENT	October-10	January-11	3.0	-	
	CONSTRUCTION WORK	February-11	October-12	20.0	\$34,325	
	CONTINGENCIES				\$7,950	
	SUB-TOTAL	October-07	October-12	60.0	\$50,200	\$0
SLOPE STABILIZATION	DESIGN PROCUREMENT	Complete	Complete	2.0		
	PRELIM DESIGN WORK	Complete	Complete	2.0		
	FINAL DESIGN WORK	Complete	Complete	8.0	\$30	\$35
	CONSTRUCTION PROCUREMENT	Complete	Complete	6.0		
	CONSTRUCTION WORK	Complete	Complete	10.0	\$1,170	\$1,319
	CONTINGENCIES					
	SUB-TOTAL				\$1,200	\$1,354
VRE STATION	DESIGN PROCUREMENT	Complete	Complete	3.0		
	PRELIM DESIGN WORK	October-08	Complete	6.0	\$184	\$239
	FINAL DESIGN WORK	March-09	March-10	12.0	\$736	\$191
	CONSTRUCTION PROCUREMENT	April-10	August-10	5.0		
	CONSTRUCTION WORK	September-10	September-12	24.0	\$7,816	
	CONTINGENCIES				\$480	
	SUB-TOTAL				\$9,196	\$430
COMMUTER PARKING STRUCTURE	DESIGN PROCUREMENT	June-08	September-08	3.0		
	PRELIM DESIGN WORK	September-08	April-09	6.0	\$171	\$18
	FINAL DESIGN WORK	May-09	December-09	9.0	\$883	
	CONSTRUCTION PROCUREMENT	January-10	March-10	3.0		
	CONSTRUCTION WORK	April-10	July-11	15.0	\$7,257	
	CONTINGENCIES				\$426	
	SUB-TOTAL				\$8,537	\$18
PUBLIC ROAD BRIDGE OVER CSX TRACKS	DESIGN PROCUREMENT	October-07	Complete	3.0		
	PRELIM DESIGN WORK	December-07	March-08	4.0	\$50	
	FINAL DESIGN WORK	March-08	February-09	12.0	\$625	
	CONSTRUCTION PROCUREMENT	January-09	March-09	3.0		
	CONSTRUCTION WORK	March-09	June-10	16.0	\$1,800	
	CONTINGENCIES				\$190	
	SUB-TOTAL				\$2,765	\$0
MATCH TOTAL					\$21,698	\$1,802
MATCH FRACTION					30.18%	100.00%
GRAND TOTAL					\$71,898	\$1,802
PHASE 1 MATCH PLEDGED						\$750
PHASE 2 MATCH AVAILABLE						\$1,052

ACKNOWLEDGEMENT OF PUBLIC INTEREST
FOR THE

Arkendale-Powell's Creek 3rd Track, Cherry Hill VRE Station: Phase II – Final Design

I, Jay S. Westbrook, as Assistant Vice-President, Public/Private Partnerships for CSX Transportation, Inc. ("CSXT"), hereby acknowledge that the Commonwealth of Virginia will have a public interest in the Arkendale-Powell's Creek 3rd Track, Cherry Hill VRE Station: Phase II – Final Design. The Commonwealth of Virginia shall have a continued residual interest in the improvement of the CSXT property provided under the project. CSXT acknowledges and agrees that any improvements provided by this project may be placed on CSXT property. If, for any reason, the public benefit of the project no longer exists, CSXT shall have the option of retaining, or, at the entire cost of the Commonwealth, of removing, or of requiring the removal of, all or any portion of any improvements made under the project and of restoring CSXT's property and facilities to their original condition (ordinary wear and tear excepted), following such removal. If CSXT elects to retain all or any portion of the improvements for continued rail service, then CSXT shall pay to the Department the amount by which the then net salvage value of such improvements exceeds the removal and restoration costs otherwise to be incurred by the Commonwealth.

This acknowledgement is hereby provided to satisfy Item 7 of the Required Attachments section of the Virginia Department of Rail and Public Transportation Rail Enhancement Fund Project Application Form.

Signed: 
Jay S. Westbrook
Assistant Vice-President
Public/Private Partnerships
CSX Transportation, Inc.

Date: 1/31/2008

Notary: 

